

FINANCE

BOARD MEETING

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4-5 December, Delhi, India



In Brief ...

Stable Financial Forecast

- No significant variances from Investment Opportunity

2020 Secretariat & PEF Budget

- Focus on key priorities and budgetary discipline

Sufficient resources to fund Board decisions

- Financial implications of current Board decisions fully reflected in forecast

2016-2020 updated forecasts

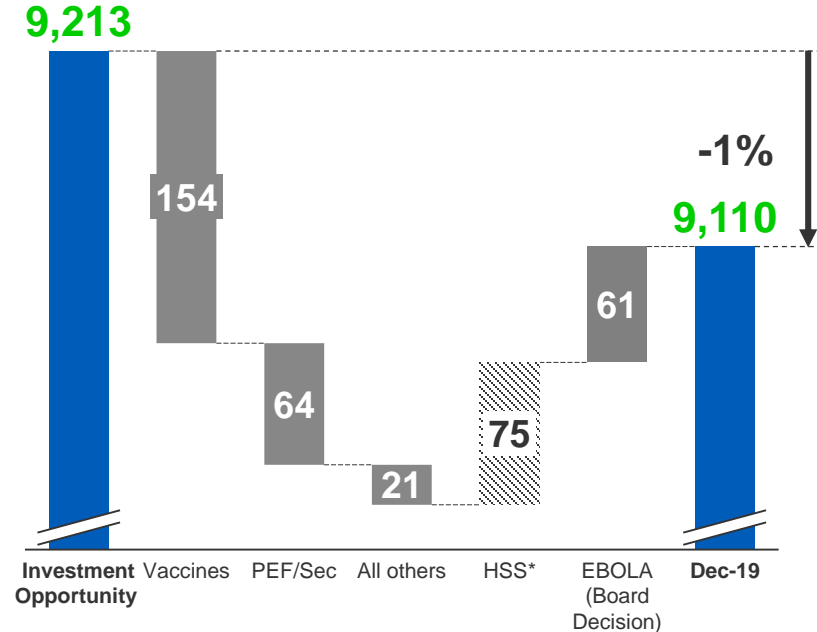
In US\$ billions

	July 2019 Board Call	December 2019
Qualifying Resources	\$9.5 bn	\$9.5 bn
Forecast Expenditures	\$9.2 bn	\$9.1 bn

2016-2020 updated forecasts

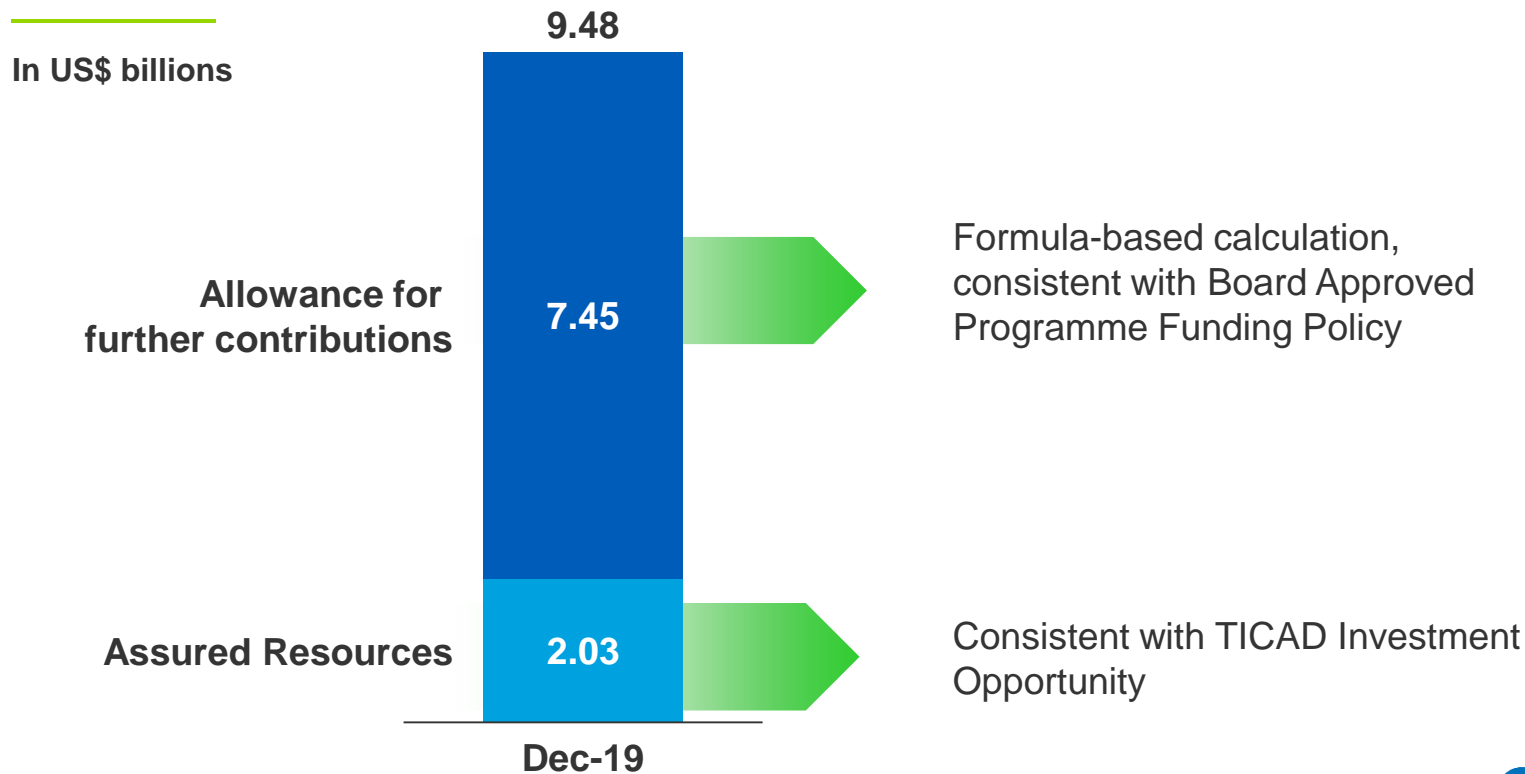
In US\$ billions

	July 2019 Board Call	Dec 2019
Qualifying Resources	\$9.5 bn	\$9.5 bn
Forecast Expenditures	\$9.2 bn	\$9.1 bn



*Once a more definitive picture is available the Secretariat would request approval at the June 2020 Board meeting for the increase, if required


2021-2025: Qualifying Resources



2021-2025 updated expenditure

In US\$ billions

	July 2019 Board Call	Dec 2019
Forecast Expenditures	\$9.35 bn	\$9.44 bn



Programmatic:

\$8.37 bn

- Vaccines, excl IPV: \$4.43 bn
- IPV: \$0.82 bn
- HSIS: \$1.72 bn
- CCEOP & YF Diagnostics: \$0.20 bn
- PEF-Programmatic: \$0.92 bn
- Post transition support and exploring MICs: \$0.28 bn

Operating expenditure (Secretariat & PEF):

\$0.66 bn

Provision for Strategic Investments:

\$0.41 bn*

**Malaria Decision Point previously included in this forecast line*

PEF and Secretariat Budget 2020

In US\$ millions

	2019	2020
PEF	\$253 m	\$253 m
Secretariat	\$108 m	\$110 m
TOTAL	\$361 m	\$363 m

Overhead ratio



2019

2.3%

2020

2.4%

Avg
(2016-18)

2.9%

Operating
expense ratio



6.2%

6.2%

7.3%

Financial implications of Board Decisions

In US\$ millions		2016-2020			2021-2025		
	Board Paper Ref	Decision amount	Included in prior forecast	Addition to forecast	Decision amount	Included in prior forecast	Addition to forecast
Gavi's engagement in Ebola vaccine	8	\$61 m	-	\$61 m	\$169 m	\$150 m	\$19 m
Malaria Vaccine Pilots	7	-	-	-	\$11.6 m	\$11.6 m	-
Malaria Long-Term Supply	7				Up to \$75 m	Up to \$75 m	
PEF budget Secretariat budget - 2020	6b	\$253 m \$110 m	\$253 m \$110 m	-	-	-	-
Total US\$ million				\$61 m			\$19 m
Financial impact of Board decisions		\$61 m			\$19 m		

Recommendation (1/3) - Financial Forecast

The Gavi Alliance Audit and Finance Committee reviewed the Financial Forecast and **recommended** to the Gavi Alliance Board that it:

- a) **Note** that the Audit and Finance Committee has reviewed the financial implications of the recommendations to be made to the Programme and Policy Committee as set out in Figures 1 to 5 of Doc 02a to the Audit and Finance Committee of 10 October 2019 (Financial Update) and concluded these recommendations could be approved by the Board in accordance with the Programme Funding Policy;
- b) **Approve** the Financial Forecast for the period 2016-2020 as set out in Section B of Doc 06a;
- c) **Approve** the Financial Forecast for the period 2021-2025 as set out in Section B of Doc 06a, which is dependent on resources becoming available for that period; and
- d) **Authorise** the Gavi Secretariat to allot funding in 2020 for new programmes and for the continuation and adjustment of funding to existing programmes, in accordance with the Programme Funding Policy. In making such allotment decisions, the Secretariat will take into consideration the outcome of Gavi's replenishment in June 2020.

Recommendation (2/3) - PEF/Secretariat Budget 2020

Taking note that the budget for Vaccine and CCEOP Procurement fees and the envelope for Post-Transition Support for 2018-2022 have already been approved by the Board (US\$ 23.3 million and US\$ 21.8 million respectively for 2020), the Audit and Finance Committee **recommends** to the Gavi Alliance Board that it:

- a) **Approve**, within the overall amount of US\$ 253.4 million for 2020 for the Partners' Engagement Framework, the following allocations:
- i. US\$ 165.4 million for PEF Partners to support Targeted Country Assistance, Special Investments in Strategic Focus Areas and Foundational Support
 - ii. US\$ 0.4 million in fees for UNICEF Supply Division to procure yellow fever diagnostic surveillance equipment;
 - iii. US\$ 24.0 million for investing in Partnerships in Innovation to be administered by the Secretariat;
 - iv. US\$ 18.5 million for Impact Assessments and Evaluations to be _____

Recommendation (3/3) - PEF/Secretariat Budget 2020

- b) **Approve** US\$ 110.3 million for Secretariat Engagement;
- c) **Approve** US\$ 0.5 million for capital expenditure budgets to implement the Secretariat's part of the Gavi Engagement Framework.

THANK YOU

